



**Ninety-Ninth Legislature - First Session - 2005**  
**Committee Statement**  
**LB 555**

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**Hearing Date:** January 27, 2005

**Committee On:** Revenue

**Introducer(s):** (Beutler)

**Title:** Increase motor fuel taxes and distribute the revenue for street and road purposes

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

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**Vote Results:**

7	Yes	Senators Connealy, Cornett, Janssen, Landis, Preister, Raikes and Redfield
0	No	
1	Present, not voting	Senator Baker
0	Absent	

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**Proponents:**

Senator Chris Beutler  
Mayor Coleen Seng  
Brad Korell

Allan Abbott  
Terry King  
Larry Dix  
Rick Meter  
Jack Cheloha  
Norm Nelson  
Lynn Rex

**Opponents:**

Mike Hybl

Tim Keigher

Jay Rempe  
Bruce Bohrer

**Representing:**

Introducer  
City of Lincoln  
City of Lincoln and the Mayor's Infrastructure Finance Committee  
City of Lincoln  
NE Chapter of Associated General Contractors  
Nebraska Association of County Officials  
NACO and Scotts Bluff County  
City of Omaha  
Lyman-Richey Corporation  
League of Nebraska Municipalities

**Representing:**

Nebraska Trucking Association and  
Nebraska State Chamber of Commerce  
NE Petroleum Marketers and Conv. Store Assn.  
Nebraska New Car & Truck Dealers Association  
Nebraska Farm Bureau Federation  
Lincoln Chamber of Commerce

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**Neutral:**

None

**Representing:**

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**Summary of purpose and/or changes:**

LB 555 would have amended sections 66-4,145, 66-4,146, and 66-6,109 (the excise and use taxes and the compressed fuel tax that are deposited in the Highway Allocation Fund for distribution to cities and counties) to impose an additional two cent motor fuel tax. Section 1 amended section 39-2401 to create a new fund called the Highway Supplemental Allocation Fund and section 4 amended section 66-4,147 to provide that the proceeds from the new tax were to be deposited in the new fund.

Section 5 would have amended section 66-4,148 to set the distribution formula for the Highway Supplemental Allocation Fund. The fund was to be divided equally between cities and counties that receive less than 35 percent of the amount credited to the Highway Trust Fund from the county or city. The amount of fuel taxes received from each city and county was to be calculated by the Department of Roads for 2004. This was to be the year that determined eligibility for funding under the bill. The distribution from the fund was to be per capita to those cities and counties that were eligible. Once the distribution from the fund brought a particular city or county up to the 35 percent of taxes contributed, that particular city or county was to receive no additional aid and any excess was to be distributed to the remaining eligible cities or counties.

The bill was to be operative October 1, 2005.

**Explanation of amendments, if any:**

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**Senator David Landis, Chairperson**